

What You Need to Know About Health Insurance Costs

Health plans usually have two main types of costs that you pay— premiums and out-of-pocket. The exact amount you pay for services depends on your specific health plan, but most plans use a combination of these two payment types.

A premium is the price you pay every month to your health insurance company, even when you do not go to the doctor. If you have health insurance through your employer, your employer may help you pay this fee monthly, quarterly or yearly to make it more affordable for you.

When you visit the doctor or need health care services, your health insurance will share some of the costs with you. Out-of-pocket costs are paid by you instead of your insurance plan. These include:

- **Deductible:** The amount of money you pay before your insurance plan will start to pay for any health care services covered by the plan.
- For example, if your health insurance plan has a \$200 deductible, you must pay \$200 for your health care services before your insurance will start paying for any covered services.
- Co-Pay: A fixed amount that you pay for health care services covered by your plan, like a doctor's visit, usually paid for at the time you get the health care service.
- For example, you may pay a \$25 co-pay every time you visit the doctor and \$15 every time you get a prescription. Then, your health plan will pay the rest of the costs for the health care service.
- Coinsurance: A type of cost-sharing where you pay a percentage of the total price for a covered health care service, like a lab test, and your insurance company pays the rest. The percentage varies for different health care services in your specific health insurance plan.
- For example, if your plan's required coinsurance is 20 percent for lab tests, you would owe \$20 for a \$100 lab test and your insurance company would pay the rest, which is \$80.
- Out-of-Pocket Maximum: The maximum amount you pay during a policy period, which is usually a year, before your health insurance starts to pay 100 percent of the cost of all covered health care services. Your premium and the cost of health care services that your health insurance plan does not cover will never count toward the out-of-pocket maximum.

How You and Your Insurer Share Costs SAMPLE PLAN Plan Deductible: \$1,500 Co-Insurance: 20% Out-of-pocket Limit: \$5,000 JANE INSURANCE PLAN 100% 100% 80% 20% 0% 0% Jane hasn't Jane reaches her Jane reaches her reached her \$1,500 \$1,500 deductible, \$5,000 out-ofdeductible yet co-insurance begins pocket limit BEGIN **END** Dec 31st Jan 1st OFFICE VISIT \$125 OFFICE VISIT \$75 OFFICE VISIT \$200 JANE PAYS \$125 JANE PAYS \$15 JANE PAYS \$0 HER PLAN PAYS \$0 HER PLAN PAYS \$60 HER PLAN PAYS \$200 Her plan doesn't pay Jane has seen a doctor several Jane has seen the doctor often any of the costs. times and paid \$1,500 in total. and paid \$5,000 in total. Her Her plan pays some of the plan pays the full cost of her costs for her next visit. covered health care services for the rest of the year.

To learn more, visit_GetCoveredIllinois.gov_or call the toll-free Help Desk at (866) 311-1119, open seven days a week from 8 a.m. to 8 p.m.

